



EASTERN PARTNERSHIP PLATFORM 3: “Energy Security”

4th WORKSHOP OF EASTERN PARTNERSHIP ENERGY REGULATORY BODIES

26- 27 March 2015 – Chisinau

“UNDERSTANDING THE IMPACT OF REGULATORY INCENTIVES”

Venue: **Republican Palace** - 16, Maria Cibotari street, Chisinau, Moldova

Background: In accordance with the Eastern Partnership work program 2012-2013 and 2014-2017, the Council of European Energy Regulators (CEER) and the European Commission jointly organized three specialized workshops with the energy regulatory bodies from the Eastern Partnership Countries. The first workshop took place in Vienna on 30-31 May 2012 to exchange experience on the role, powers and challenges of energy regulatory bodies. The second workshop took place in Tbilisi on 18-19 June 2013 and focused on regulatory tools in support of infrastructure development, interconnection and diversification of supply. The 3rd workshop took place in London on 27-28 May 2014 and dealt with regional electricity markets.

These workshops reflect CEER’s contribution to the EaP-objective “approximation of regulatory frameworks”.

Workshop objectives: The overall aim of the workshop is to share the principles of various tariff models and the impact of cost-reflective energy prices on the behavior of different market participants (grid operators, investors, customers) in the EU and the Eastern Partner countries. The results of the discussions shall be reported to the Eastern Partnership Platform on Energy Security’s next meeting to be held before the Eastern Partnership Summit in Riga (date tbc).

Field Trip: The workshop will include a field trip to the reverse flow pipeline between Moldova and Romania (Ungheni-Iași pipeline) located in Ungheni (ca. 2 hours away from Chisinau). This reverse flow pipeline is a major contribution to enhanced Moldovan and EU energy security. As this workshop is held in the framework of the Eastern partnership platform on energy, this field trip is considered to be of high value to participants as they will have the chance to experience how reverse flow pipelines are operated and used in practice.

This field trip will take place on the second day (27 March).



Organization: The workshop involves speakers from the regulatory bodies of the Eastern partner countries as well as regulators from the EU. The perspectives from other relevant regional associations as well as from EU institutions will also be presented. Overall, the workshop intends to give sufficient room for questions and discussions as well as informal networking.

Expected Outcome:

- Workshop participants will have a better understanding of the various methodologies used to calculate tariffs across Europe and the Eastern Partnership region.
- The principle of cost reflective tariffs will be examined particularly with a view to understand its individual consequences for various market participants.
- Conflicting objectives and how to manage these as a regulator will be discussed.
- Regulatory incentives aiming at attracting investments will be looked at in particular.
- The question of how to manage the transition to cost-reflective tariffs/prices and the role of regulators in this process will be analyzed.

Target audience: Representatives of the Eastern Partnership's regulatory community, i.e. regulatory bodies of Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine and the regulators from the 28 EU Member States as well as other relevant stakeholders.

Interpretation: Simultaneous interpretation English/Russian will be available.

Dinner: Participants are invited to dinner on 26 March 2015 at the invitation of CEER.



Agenda

Workshop Venue:
Republican Palace - 16, Maria Cibotari street, Chisinau, Moldova

26 – 27 March 2015

DAY 1:

09:00 Registration

09:30 Welcome and Introduction

Mr Sergiu Ciobanu, Director of Moldovan Energy Regulatory Authority ANRE
Mr Tomislav Jurekovic, CEER Vice-President
Ms Marion Schiller-Probst, European Commission, DG ENER

Moderator morning session: Mr. Tomislav Jurekovic, CEER Vice President

**10:00 The big picture in the EU:
Basic philosophy behind cost-based versus incentive regulation and
how to manage conflicting objectives in tariff design**

Mr Tom Maes, CEER (CREG Belgium)

**10:45 The overall circumstances in the Partner Countries:
Presentation of INOGATE's Tariff Review in the Eastern Partnership
Region**

Mr John Swinscoe, INOGATE

Q&A

11:15 – 11:30 Coffee break



11:30 Tariff models and regulatory incentives in the Eastern Partnership region per country

Short presentations (10 min. each) from the regulatory bodies of:

- Moldova: *Ms. Elena Stratulat, Mr. Alexandru Ursu*
- Ukraine: *Ms. Oksana Krivenko, Ms. Kateryna Nebrat*
- Belarus: *Mr. Denis Bibikov*
- Azerbaijan: *Mr. Rauf Gurbanov*
- Georgia: *Mr. Sergo Latsabidze*
- Armenia: *Mr. Artyom Ghazaryan*

Q&A

12:45 – 14:00 Lunch

Moderator afternoon session: Ms. Marion Schiller-Probst, European Commission
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**14:00 How to manage transitions in tariff regulation:
Case Study of Croatia as new EU Member State**

Mr Tomislav Jurekovic, CEER Vice-President and Commissioner at Croatian Energy Regulator HERA

**14:20 Success story of EU and partner country collaboration:
Results of the Twinning Project between Georgia and Austria on Tariffs**

*Mr Dietmar Preinstorfer, CEER (E-Control Austria)
Mr. Sergo Latsabidze, GNERC, Georgia*

14:50 Investors' perspective on the impact of regulatory incentives

Ms Alexandrina Robu, Energic Association of Moldova

Q&A

15:15 – 15:30 Coffee Break



15:30 **EU Policy Outlook:
Towards uniform and binding Network Codes in the EU**

Ms Marion Schiller-Probst, European Commission, DG ENER

16:00-16:30 **Wrap-Up and Conclusions**

*Mr Tomislav Jurekovic, CEER Vice President
Mr Sergiu Ciobanu, Director of Moldovan Energy Regulatory Authority ANRE
Ms Marion Schiller-Probst, European Commission, DG ENER*

17:00 **Departure to Wine Cellar Cricova**

Guided tour of the wine cellar and dinner

DAY 2:

8:00 **Departure to Visit Ungheni-Iași pipeline**

Road trip: ca. 2 hours

max 14:00 **Arrival back in Chisinau**